



Department of Commerce Overview Presentation

Department of Commerce Overview



Unique Characteristics of Department of Commerce

- Each Division operates independently
- Each Division is funded by the industries it regulates
- Department Director has no authority over Division Administrators



Department of Commerce Divisions

Alcoholic Beverages

Banking

Credit Union

Insurance

Professional Licensing

Utilities



Alcoholic Beverages

- ✱ Regulates the business transactions between suppliers/wholesalers and retailers
- ✱ Issues more than 9,000 licenses annually to businesses which sell, distribute, and serve alcoholic beverages
- ✱ Audits and collects more than \$18 million in beer and wine excise taxes



Alcoholic Beverages

- ✦ Operates liquor wholesaling for the state on a “bailment” inventory system generating a net profit of more than \$40 million for the general fund
- ✦ Performs more than 5500 ABD Tobacco Enforcement Program compliance checks each year
- ✦ Division will generate more than \$66 million in revenues with a General Fund appropriation of \$1.8 million in FY 2003



Banking

- ✓ Supervises and Regulates 360 state chartered banks, 300 bank holding companies and one trust company having combined total assets of more than \$32 billion
- ✓ Leverages resources by close cooperation with FDIC and Federal Reserve



Banking

- ✓ Activities include on-site examination, investigation of consumer complaints, approval of new charters and office location, approval of change of control of banks, approval of bank relocations or dissolutions, and enforcement actions



Banking

- ✓ Supervises, and licenses 167 regulated loan companies, 155 industrial loan companies, 22 debt management companies and 148 delayed deposit companies
- ✓ Activities include on-site examination, approval and renewal of licenses, investigation of consumer complaints



Banking

- ✓ Licenses 486 mortgage bankers and brokers and 24 money transmitters
- ✓ Assessments to banks and other licensees pay for the entire cost of operation



Credit Union

- ❖ Supervises and regulates 177 state chartered credit unions
- ❖ Leverages resources by cooperating with NCUA
- ❖ Activities include on-site examination, approval of new charters, mergers, acquisitions and activities, enforcement actions, investigation of consumer complaints
- ❖ Provides liaison with member account insurers



Insurance

- Regulates insurance, securities, and other regulated industries including preneed funeral services and certain cemeteries
- Organized in 6 bureaus: Administration, Examinations, Consumer Affairs, Producer Product Regulation, Securities, and Fraud
- Oversees and monitors more than 1600 insurance companies operating in Iowa



Insurance

- Activities include examination and review of financial information, merger and acquisition review, premium tax audits, rehabilitation and liquidation supervision, and oversight of workers comp self-insurance
- Investigates and responds to consumer complaints and operates the Senior Health Insurance Information Program, a federal program for health insurance counseling for seniors



Insurance

- Reviews, approves or disapproves life and health forms, property and casualty rates and forms and rates for other types of insurance
- Oversees licensing of insurance agents, monitors surplus lines and performs actuarial analysis of certain public retirement systems



Insurance

- Administers and enforces the Iowa Uniform Securities Act
- Investigates and prosecutes insurance fraud



Professional Licensing

- ⇒ Issues approximately 15,000 licenses annually
- ⇒ Administers 6 uniform national examinations to approximately 1800 candidates each year
- ⇒ Reviews more than 7,000 continuing education reports



Professional Licensing

- ⇒ Investigates consumer complaints and holds public hearings
- ⇒ Coordinates all real estate and real estate appraiser education activities
- ⇒ Audits real estate broker trust accounts



Utilities

- ◆ Regulates public utilities, pipelines, and electric transmission lines
- ◆ Provides information, education and dispute resolution for customers and competitors
- ◆ Processes and analyzes gas and electric utility tariff filings, annual fuel purchase reviews, service territory disputes, certified natural gas providers, rate making and restructuring issues.



Utilities

- ◆ Develops policy for cost of capital, cost of service, rate design, and research.
- ◆ Processes and analyzes telephone tariff filings, applications for competitive local exchange carriers, ratemaking, restructuring and accounting interpretations



Issues

📁 Several of the divisions have legislative initiatives



Issues

- ✧ Although all of the divisions operate independently and regulate different industries, they have some similar issues.
- ✧ General Fund cuts have reduced resources while consumer complaints, licensing and application activities have increased.
- ✧ The divisions have streamlined operations, reduced paperwork and employed technology to maintain high quality oversight and regulation.



Issues

- ✧ We expect to continue improving our processes to improve efficiency.
- ✧ We expect more from our people and they deserve the tools necessary to do their work.
- ✧ Our employees deserve respect and compensation commensurate with their duties and responsibilities